

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Jonesville Post Office  
Jonesville, Texas 75659

Docket No. A2012-100

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(February 16, 2012)

Starting on December 19, 2011, the Postal Regulatory Commission (Commission) received a series of appeals by postal customers objecting to the discontinuance of the Post Office at Jonesville, Texas<sup>1</sup>: (1) a petition dated December 19, 2011 by Leila Vaughan ("Leila Vaughan"),<sup>2</sup> (2) a petition dated January 3, 2012 by Martha Vaughan ("Martha Vaughan") in her capacity as a co-owner of T.C. Lindsey & Company ("Lindsey"), as trustee for The Ark and the Dove Foundation ("Ark and Dove"), as co-owner of Vaughan Properties LLP ("Properties") and as an individual postal customer; (3) a petition dated January 4, 2012 by T.C. Lindsey & Company, signed by Ellen Vaughan Miller ("Ellen Vaughan Miller") as co-owner; (4) a petition dated January 6, 2012 by Patricia A.

<sup>1</sup>The Jonesville Post Office is part of the Retail Access Optimization Initiative (RAOI); consequently, this discontinuance was conducted pursuant to Handbook PO-101, dated July 2011.

<sup>2</sup>On December 27, 2011 Leila Vaughan filed supplemental materials in support of her petition, consisting of documents which already appear in the administrative record filed herein. Ellen Vaughan submitted a letter, dated December 27, 2011, as Board member on behalf of the Ark and the Dove Foundation; it is identical to her January 4, 2012 petition. Martha Vaughan submitted an undated letter to the Commission on December 28, 2011; it is identical to her January 3, 2012 Petition. On December 30, 2011 Ellen Vaughan Miller also submitted a letter on behalf of T.C. Lindsey & Co. dated December 27, 2011.

Vaughan (“Patricia A. Vaughan”); and (5) a petition dated January 10, 2012 by Christina Anderson.<sup>3</sup> All of the individuals and entities identify themselves as P. O. Box customers at the Jonesville Post Office. On January 5, 2012, the Commission issued Order No. 1101, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Patricia Vaughan filed a Participant Statement in support of her petition on January 23, 2012. In accordance with Order No. 1101, the administrative record was filed with the Commission on January 4, 2012. A single page addendum to the administrative record, filed contemporaneously with this pleading, explains an internal inconsistency in the previously filed administrative record.

Petitioners raise three principal issues concerning the discontinuance: (1) the impact on the provision of postal services, (2) the impact upon the Jonesville community, and (3) the calculation of economic savings expected to result from discontinuing the Jonesville Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service’s statutory obligations and Commission precedent,<sup>4</sup> the Postal Service considered a number of other issues, including the impact upon postal employees. Accordingly, the Final Determination to discontinue the Jonesville Post Office should be affirmed.

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<sup>3</sup> Hereinafter the Postal Service shall refer to the individuals and entities as “Petitioners;” where appropriate, reference may be made to individuals and/or entities.

<sup>4</sup> See 39 U.S.C. §404(d)(2)(A).

## **Background**

The Final Determination To Close the Jonesville, TX Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"),<sup>5</sup> as well as the administrative record, indicate that the Jonesville Post Office provides EAS-11 level service to: 111 P. O. Box or general delivery customers, and to retail customers from 8:30 a.m. to 1:00 p.m. and from 1:30 p.m. to 4:00 p.m. Monday through Friday and from 8 :15 a.m. to 9:30 a.m. on Saturday. No carrier delivery route customers are served by routes emanating from this office.<sup>6</sup> The postmaster of the Jonesville Post Office retired on February 29, 2008. Since then a PMR (postmaster relief) has been assigned to the unit. At the time the study was conducted and the Final Determination was reached, the PMR was still serving as the OIC (Officer-in-Charge). If the Final Determination to discontinue the Jonesville Post Office is affirmed, the PMR will be separated from the Postal Service, unless a reassignment within commuting distance is then available.<sup>7</sup>

The revenue trend at the Jonesville Post Office is as follows: \$15,783 in FY 2007; \$ 17,781 in FY 2008; \$18,816 in FY 2009; \$25,120 in FY 2010; and \$26,379 in FY 2011.<sup>8</sup> Upon implementation of the Final Determination, service will be provided via rural route carrier delivery (which also provides retail service),

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<sup>5</sup> The Final Determination can be found at Item 35 in the Administrative Record. All citations to the Final Determination will be to "FD at \_\_\_\_\_," rather than to the item number. The FD page number refers to the pages as marked on the upper right of the FD. Other items in the administrative record are referred to as "Item \_\_\_\_\_."

<sup>6</sup> FD at 2; Item No. 17, Proposal, at 3.

<sup>7</sup> FD at 2, 32 and 33; Item No. 17, Proposal, at 3.

<sup>8</sup> FD, at 2; Item No. 17, Proposal, at 2.

with retail services remaining available the Waskom Post Office,<sup>9</sup> an EAS-18 level office located five miles away.<sup>10</sup> Window service hours at the Waskom Post Office are from 9:00 a.m. to 4:00 p.m. Monday through Friday, with no window service on Saturday. This service will continue upon implementation of the Final Determination.<sup>11</sup>

The Postal Service followed proper procedures that led to the posting of the Final Determination.<sup>12</sup> Issues raised by the customers of the Jonesville Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements.<sup>13</sup> In addition to the posting of the Proposal and Final Determination at both the Jonesville and Waskom Post Offices, customers received notice through other means. Questionnaires were distributed to all P.O. Box customers of the Jonesville Post Office. Questionnaires were also available over the counter at Jonesville for retail customers.<sup>14</sup> Questionnaires were accompanied by a letter from the Manager of

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<sup>9</sup> The Waskom Post Office is not listed as a candidate for discontinuance as part of the Retail Access Optimization Initiative (PRC Docket No. N2011-1).

<sup>10</sup> FD at 2.

<sup>11</sup> FD at 2.

<sup>12</sup> Petitioners argue that the Postal Service personnel who conducted the discontinuance study did not have the requisite education, training and expertise to conduct an accurate study. To the contrary, the administrative record makes clear that responsible field personnel documented their findings, posted notice of their intentions, actively solicited and responded to customer feedback, and made a thoughtful recommendation as to how best to serve the community through efficient means. Discontinuance coordinators receive extensive and ongoing training.

<sup>13</sup> The Proposal was posted at both the Jonesville Post Office and the Waskom Post Office between August 23, 2011 and October 24, 2011. Item No. 23, Round Date Stamped Proposals and invitations for Comments from Affected Offices, at 1, 4, 5 and 6. The Final Determination was posted at both post offices on December 7, 2011. Item No. 36, Round Date Stamped Final Determination, at 1 and 2.

<sup>14</sup> Petitioners claim that the Postal Service failed to provide timely notice and questionnaires to household members of P.O. Box customers at the Jonesville Post Office or to other residents of Jonesville who are not P.O. Box customers. Aside from asserting a legal standard that does not exist, no factual support for the assertion is cited or otherwise claimed to exist. In accordance

Postal Operations, Frank Richards, which advised customers that the Postal Service was evaluating whether the continued operation of the Jonesville Post Office was warranted, and whether effective and regular service could be provided through P.O. Box delivery at the Waskom Post Office (and any other convenient location) and by carrier delivery service to residences and businesses. Retail services would continue to be available at the Waskom Post Office, as well as from the Postal Service's website, and non-city (which includes rural) delivery carriers, with stamps available through stamp consignment locations, and stamps by Mail, Fax or Phone.<sup>15</sup> The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural delivery service and retail services from Waskom.<sup>16</sup> As noted above, the Postal Service distributed 111 questionnaires to P.O. Box and retail customers. Forty-three customers returned questionnaires; the Postal Service considered their concerns and addressed them, both in written response letters and in the Proposal.<sup>17</sup>

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with established procedures, questionnaires were provided directly to all delivery customers (in this case, all were P.O. Box customers), with copies also available to any customer who visited the Jonesville Post Office retail counter. Proof of this distribution can be found in the completed customer questionnaires signed by persons who were not P.O. Box customers at Jonesville. Item 20, Completed Customer Questionnaires and Postal Service Response Letters, at 6, 8, 16, 44, 59, 63, 78 and 126. The undersigned also confirmed this distribution personally with the discontinuance coordinator, including the continuous availability of questionnaires at the retail counter throughout the posting period. See *also*, FD at 2; Item No. 10, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Jonesville Post Office, at 2. Notice by these methods complies with all regulations in 39 C.F.R. Pt. 241.3 and procedures specified in Handbook PO-101.

<sup>15</sup>Item 10, Letter to Customer, at 1.

<sup>16</sup>Item No. 10, Letter to Customer, at 1.

<sup>17</sup>Item No. 20, Returned Customer Questionnaires; Item No. 21, Customer Questionnaire

Representatives from the Postal Service were available during a community meeting on August 27, 2011 to answer questions and provide information to customers; 73 customers attended.<sup>18</sup> Customers received formal notice of the Proposal, which was posted with an invitation for public comment at the Jonesville and Waskom Post Offices for 60 days from August 23, 2011 to October 24, 2011.<sup>19</sup> Three hundred sixty-seven customers responded with comments in response to the “Invitation for Comments” after the Proposal was posted.<sup>20</sup> The Postal Service also received a petition, containing 571 signatures, supporting retention of the Jonesville Post Office on September 12, 2001.<sup>21</sup> One petitioner developed a separate questionnaire, which was distributed to the community. Customers appended the completed questionnaires to letters submitted to the Postal Service during the comment period. The Postal Service considered and addressed the concerns in these letters and questionnaires by written response letters.<sup>22</sup> The Postal Service addressed those concerns in the

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Analysis; Item No. 17, Proposal, at 2-3.

<sup>18</sup> Item No. 11. Petitioners state that the public meeting on August 27, 2011 was held during extremely hot weather and that there was inadequate room for all the attendees. The Postal Service notes that its internal regulations give local discontinuance coordinators flexibility in determining meeting venues that encourage customer participation. See Handbook PO-101 § 251. No single venue is ever consistent with all customer preferences. That is one reason why a discontinuance study process affords customers multiple avenues for providing their input: questionnaires, community meeting, written correspondence at any time, and if those opportunities do not suffice, then formal comments on a proposal posted for 60 days provide many alternative means for submission of customer input.

<sup>19</sup> FD at 2; Item No. 23, Proposal, at 1-8.

<sup>20</sup> Item No. 20, Proposal Comments, Item No. 26, Analysis of Comments.

<sup>21</sup> The Petition contains many signatures of persons outside of the Jonesville area. For example, signatories had addresses such as Morningsport, LA, Hugo, OK, Logansport, LA, Houston, TX, Greenwood, LA. See Item No. 27, at 46 and 47. This is not an exhaustive listing of the signatories from outside of Jonesville.

<sup>22</sup> Item No. 25, Proposal Comments and Postal Service Response Letters; FD, at 4-30.

Final Determination.<sup>23</sup> The Final Determination was posted at the Jonesville Post Office and at the Waskom Post Office on December 7, 2011, as confirmed by the round date stamped Final Determination.<sup>24</sup>

In light of the postmaster vacancy; low revenue;<sup>25</sup> the variety of delivery and retail options (including the convenience of rural route delivery and its retail service);<sup>26</sup> minimal impact upon the community;<sup>27</sup> and the expected financial savings,<sup>28</sup> the Postal Service issued the Final Determination.<sup>29</sup> Regular and effective postal services will continue to be provided to the Jonesville community in a cost-effective manner upon implementation of the Final Determination.<sup>30</sup>

The issues raised by the Petitioners and the Public Representative are addressed below.

### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Jonesville Post Office on postal services provided to Jonesville customers. The closing is premised upon providing regular and effective postal services to Jonesville customers. The Postal Service has

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<sup>23</sup> FD at 2-30, Item No. 26.

<sup>24</sup> Item No 36, Round Dated Stamped Final Determination.

<sup>25</sup> FD at 2 and 33.

<sup>26</sup> FD at 2 and 33; Item No, 17, Proposal, at 2 and 3.

<sup>27</sup> FD, at 30-32.

<sup>28</sup> FD at 32; Item No. 8, Jonesville Post Office Discontinuance Financial Summary, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 17, Proposal, at 5.

<sup>29</sup> FD at 6.

<sup>30</sup> FD at 1.

considered the impact of closing the Jonesville Post Office upon the provision of postal services to Jonesville customers. FD at 2-30; Item No. 17, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural delivery service emanating from the Waskom Post Office. In addition to rural delivery service, customers may also access postal services at the Waskom Post Office, located five miles away. Customers can also visit any other Post Office proximate to their employment or other activities to complete postal transactions. The window service hours of the Waskom Post Office are from 9:00 a.m. to 4:00 p.m., Monday through Friday. FD at 2; Item No. 18, Item No. 17, Proposal, at 2.

Petitioners raise the issue of the effect on postal services of the Jonesville Post Office's closing, noting the convenience of the Jonesville Post Office and requesting its retention. They contend that service through the Waskom Post Office will not provide a maximum degree of effective postal services because: (1) customers should not have to travel five miles to Waskom, thereby consuming time and money on gas to access services; (2) customers should not have to meet carriers at the highway to complete transactions; and (3) rural delivery service is not secure against theft. These concerns were considered by the Postal Service and are addressed below.

Petitioners question whether they would need to travel to Waskom for most of their services. With the exception of P.O. Box customers, the choice of Waskom over another Post Office does not have a large impact. Customers will



be accorded the option to receive rural delivery service at their residences and businesses. Item No. 10, Service Available from Rural and Highway Contract Route Carriers, at 5; Item No. 17, Proposal, at 2; FD, at 3. And, of course, to access retail service for which a customer wants or needs to visit a Post Office, Jonesville customers can choose to conduct business at any Post Office convenient for their normal routines; they are not limited to Waskom.

Moreover, as explained throughout the administrative record, the carrier can perform many functions at the same time that the carrier delivers the mail, thus avoiding for most transactions any need to go to a Post Office. The Postal Service offers various convenient options that can save customers a trip to the Post Office or having to interact directly with a carrier. FD, at 3; Item No. 17, Proposal, at 3; Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters, at 31. Stamps by Mail and Money Order Application forms are available for customer convenience. FD, at 3; Item No. 17, Proposal, at 3; Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters, at 31.

The Postal Service explained that rural carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services via roadside mailboxes or cluster box units. FD at 3; Item No. 17, Proposal, at 2, Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters, at 31; Item No. 26, Analysis of Proposal Comments, at 7. Most transactions do not

even require meeting the carrier at the mailbox. FD, at 3, Item No.17, Proposal, at 3; Item No. 26, Analysis of Proposal Comments, at 7. Moreover, special provisions are made, on request, for hardship cases or special customer needs. FD at 3 and 4; Item No. 17, Proposal, at 3; Item No. 26, Analysis of Proposal Comments, at 7.

The Postal Service also addressed customer concerns about heightened potential for theft of mail from roadside delivery receptacles. The administrative record reflects no reports of vandalism or mail theft in the area. Item No. 5, Inspection Service Local Law Enforcement Vandalism Reports. The Postal Service explained that customers can mitigate the risk of theft by installing locks. FD, at 3; Item No. 17, Proposal, at 2; Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters, at 3, 5 and 20; Item No. 22, Community Meeting Analysis, at 3. A carrier can deliver mail through the slot on a locked receptacle, but a key is required to open and take delivery of mailed deposited inside.

Petitioners also express concern for customers who do not have access to computers. Of course, services are also available for those customers who do not have computers. Stamps by Mail and Money Order Application forms are also available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24. FD, at 3; Item No. 20, Returned Customer Questionnaires and Postal Service Response letters, at 4, 6, 7, 23, 25, 31, 32, 38, 40 and 42; Customers can also request special services,

such as Certified, Registered, or Express Mail, Delivery Confirmation, Signature Confirmation, and COD from the carrier. Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters, at 19, 25, 29.

Thus, the Postal Service properly concluded that Jonesville customers will continue to receive regular and effective service via rural carrier delivery service delivery emanating from Waskom.

### **Effect upon the Jonesville Community**

The Postal Service is obligated to consider the effect of its decision to close the Jonesville Post Office upon the Jonesville community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Jonesville is an unincorporated rural community located in Harrison County. The community is administered politically by Harrison County. The Harrison County Sheriff's Office provides police protection. Fire protection is provided by the Waskom Fire Department and the Marshall Fire Department. There are no schools in the Jonesville service area. FD at 31; Item No. 6, Community Survey Fact Sheet; Item No. 17, Proposal at 2. Although the town has approximately 12 businesses,<sup>31</sup> most are not retail stores. The

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<sup>31</sup> In their Participant Statement, Petitioners complain that the Fact Sheet failed to mention the town's churches and foundations. However, while the Postal Service is not obligated to identify, on the record, every business and homeowner, it does assess impacts upon customers on many levels. The Postal Service added the names of businesses and organizations which customers

questionnaires completed by Jonesville customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Jonesville must travel elsewhere for other supplies and services. See *generally*, FD, at 4; Item No. 6, Post Office Fact Sheet; Item No. 17, Proposal, at 2; Item No. 20, Returned Customer Questionnaires and Postal Service Response Letters.

Communities generally require regular and effective postal services and these will continue to be provided to the Jonesville community. Rural delivery service operated out of the Waskom Post Office is expected to be able to handle mail delivery to Jonesville. In addition, the Postal Service has concluded that postal services provided by the Jonesville Post Office can be provided by the Waskom Post Office. Government forms sometimes provided by the Post Office are also available by contacting local government agencies. FD, at 31; Item No 17, Proposal, at 2.

Moreover, as the Postal Service explained, a community's identity derives from the interest and vitality of its residents and their use of its name; the Postal Service addressed this concern by continuing the use of the Jonesville name in mail addresses. FD, at 31; Item No. 17, Proposal, at 2; Item No. 20, Returned Customer Questionnaires and Postal Service Response letter, at 33, 39 and 41; Item No. 21, Analysis of Questionnaires, at 4.

Petitioners also raise concerns about the effect of closing the Jonesville Post Office on local businesses. The Postal Service explained that most

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identified as omitted, as the discontinuance study progressed. F.D, at 31; Item No. 17,,Proposal, at 2. Item No. 6, Form 4920, Post Office Fact Sheet, at 1.

businesses do not depend on the location of a Post Office, but on the provision of regular and effective postal services.<sup>32</sup> The Postal Service concluded that rural carrier service plus the full range of alternatives for access to retail services are adequate to support the existing business community and any future growth.<sup>33</sup> In addition, the Postal Service explained that responses to questionnaires sent to Jonesville customers revealed that customers will continue to use local businesses if the Post Office closes.<sup>34</sup>

Petitioners also express concern about address changes. The Postal Service determined that customers will be able to continue to use their community name in addresses, although the ZIP Code is expected to change.<sup>35</sup>

In sum, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Jonesville Post Office on the community served by the Jonesville Post Office.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Jonesville Post Office are \$28,525.<sup>36</sup> The Postal Service estimated ten year savings of

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<sup>32</sup> FD, at 31; Item No. 17, Proposal, at 4; Item No. 20, Completed Customer Questionnaires and Postal Service Response Letters, at 23, 25.

<sup>33</sup> FD, at 31; Item No. 17, Proposal, at 4; Item No. 20, Completed Customer Questionnaires and Postal Service Response Letters, at 23, 25.

<sup>34</sup> FD, at 31; Item No. 17, Proposal, at 2; Item No. 20, Customer Completed Questionnaires and Postal Service Response Letters, at 21 and 41.

<sup>35</sup> FD, at 31; Item No. 17, Proposal, at 3; Item No. 20, Completed Customer Questionnaires and Postal Service Response Letters, at 24 and 39.

<sup>36</sup> Item 8, Final Workbook.

\$226,471. FD at 32; Item No. 8, Financial Workbook.<sup>37</sup> Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).<sup>38</sup> FD, at 4; Item No. 17, Proposal, at 5.

The Petitioners question the listed economic savings, noting that the calculation does not account for a number of factors. Each of those factors is addressed below.

First, Petitioners claim that the economic savings calculation does not account for loss of revenue from P.O. Boxes. This concern presumably only pertains to customers who switch from P.O. Box service to rural carrier delivery. However, revenue from P.O. Box service is a relatively small proportion of an office's total revenue, so the impact of any such conversions would be minor in relation to total savings. The economic savings calculation looks to measure the cost savings to the Postal Service, not the potential revenue loss that could arise from changes in use of P.O. Boxes. Customers choose P.O. Box service for reasons including safety, security, privacy, interests in separating one type of mail from another and the value of service; for these reasons, the overall rate at which

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<sup>37</sup> Petitioners state that the initial cost savings did not account for the reduction in rent offered by the landlord. Once the lease was amended, the Postal Service revised its cost analysis to reflect the lower lease payments. Thus, the cost analysis correctly reflects this decrease in rent, and a decrease in ten year cost savings. The ten year difference is \$20,230 (246,701 less \$226,471), which amounts to less than ten percent.

<sup>38</sup> Calculation of the economic impact of closing the Jonesville Post Office in this case reflects improvements recommended by the Commission in SBOC (PRC Docket No. N2009-1.). The new approach was developed in concert with Postal Service officials, who recommended the focus on impact over ten years.

customers use P.O. Box service generally level out over time and geography in proportion to population and business activity. Nevertheless, it is not unreasonable to assume little or no change in customer usage patterns. See Docket No. N2011-1, USPS-T-1.

Second, Petitioners assume that the replacement service offered by the Waskom Post Office will necessarily increase the personnel requirement and therefore the attendant costs, at Waskom. Petitioners, however, provide no evidence of or expertise in any of these fields or how estimates were calculated by them, nor do they provide or cite any materials in the administrative record.<sup>39</sup> This is in contradistinction to the methodical Postal Service development of the evidence through a sustained period of time following systematic procedures. Further, even under the most extreme assumptions of Petitioners, the calculations they provide indicate that the ten-year costs savings, even allowing for the alleged loss revenue of \$45,380 calculated by Petitioners,<sup>40</sup> would not change the ultimate conclusion that discontinuance still saves the Postal Service thousands of dollars.<sup>41</sup>

Third, Petitioners criticize the Postal Service for failing to account for additional costs that will supposedly be needed to pick up and deliver mail throughout the community. Notwithstanding Petitioners' complaint, the Postal Service applied its standard financial analysis which accounts for the following

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<sup>39</sup> As the Commission has been able to observe in the majority of recent cases, most smaller Post offices are operated with substantial excess of employee time compared to workload. This is why discontinuance procedures assume that workload can be and is absorbed by nearby offices.

<sup>40</sup> Petition by Leila Vaughan, dated December 19, 2011, at 12.

<sup>41</sup> After deducting \$45,380 from the savings of \$226,471 calculated by the Postal Service, the Postal Service would realize a cost saving of \$181,091, or over \$18,000 per year.

cost drivers: the number of additional boxes to be added to the contract or rural route; the additional volume that may be expected per additional box; the number of additional miles to be added to the route; and the total additional annual hours that will be required to service the route. The Postal Service approach is both defensible and reasonable; moreover, it is efficient while adding comparability across discontinuance studies. The administrative record has been explained and corrected to account for the estimated cost of adding customers to the rural route out of the Waskom Post Office using a conservative, worst case analysis.<sup>42</sup> A subtraction of these estimated costs from the economic savings calculation that appears in the Final Determination reflects that the Postal Service will still achieve substantial economic savings from the discontinuance of the Jonesville Post Office.<sup>43</sup> In short, however, none of the Petitioners' arguments or these minor adjustments affect either the magnitude (many thousands of dollars annually) of savings from discontinuance of the Jonesville Post Office.

Thus, the conclusion that replacement service by carrier delivery, together with the range of alternative savings available, would lead to significant savings is sound. Most pick up and delivery of mail will be accomplished by the rural carrier, whose minor costs have now been calculated. Whatever additional

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<sup>42</sup>Item No. 37, Memo to Record by Allison Rizan. Ms Rizan is the Post Office Review Coordinator who was responsible for the Jonesville discontinuance study. Her Memo to Record (being filed contemporaneously with the Postal Services Comments Regarding Appeal, through a Notice of Filing of Addendum to the Administrative Record) explains a contradiction in the record, an expectation that some customers will choose carrier delivery when the quantified cost of that expectation does not also appear in the administrative record.

<sup>43</sup>Depending on the number of Jonesville P.O. Box customers who choose to use rural delivery service by the Waskom Post Office, the costs could range between zero and \$10,463 annually. See Item No. 37, Memo to Record by Allison Rizan.



limited expenses the Postal Service may incur are minor and—at this time—speculative.

Fourth, Petitioners suggested strategies that might reduce costs or increase revenue at the Jonesville Post office. These strategies include reducing the hours that the facility is open, eliminating Saturday service, increasing fees charged to P.O. Box customers, and increasing postal rates. The Postal Service had broad experience with similar options, and statutory responsibility for making discontinuance decisions. In this case, it has been determined that closing the Jonesville Post Office, coupled with various retail and delivery options, is a more cost-effective solution than maintaining the Jonesville Post Office and will continue the provision of regular and effective service to customers.. The Postal Service's estimates are supported by record evidence, in accordance with its statutory obligations.

Fifth, Petitioners question the consistency of this proposal with provisions of title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service, in determining whether to close a Post Office, must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where most offices are not self-sustaining.” The Postal Service view is that the "a maximum degree" must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to

postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Jonesville Post Office, and the answer was affirmative.

The Postal Service's estimates are supported by record evidence and are in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The former Postmaster retired on February 29, 2008. A PMR was installed as the temporary officer-in-charge (OIC). During the conduct of the discontinuance study, the PMR has continued as the OIC; the Postal Service plans to separate her from employment, unless assignment within commuting distance proves possible. The record shows that no other employee would be adversely affected by this closing. FD, at 31; Item No. 17, Proposal, at 2. Therefore, in making its determination, the Postal Service considered the effect of closing on employees

at the Jonesville Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Jonesville Post Office on the provision of postal services and on the Jonesville community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Jonesville customers. FD at 33. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Jonesville Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Jonesville Post Office be affirmed.

Respectfully submitted,

**UNITED STATES POSTAL SERVICE**

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